

AMENDED IN SENATE MAY 4, 2005
AMENDED IN SENATE APRIL 18, 2005

SENATE BILL

No. 577

**Introduced by Senator Figueroa
(Principal coauthors: Senators Ducheny and Murray)**

February 18, 2005

An act to add Chapter 8.7 (commencing with Section 11830) to Part 1 of Division 3 of Title 2 of the Government Code, relating to state government operations.

LEGISLATIVE COUNSEL'S DIGEST

SB 577, as amended, Figueroa. State government operations: accountability.

Existing law generally sets forth the duties and responsibilities of the head of any state agency, department, board, commission, bureau, or program.

The bill would also, among other things, require all of the following to ensure government's fiscal responsibility:

(1) All state agencies to participate in the CAL-Card Program for purchases up to \$5,000.

(2) The Franchise Tax Board and the Department of Finance to report, by January 1, 2008, to the Legislature on the effectiveness of "tax expenditures."

(3) The Controller to annually report to the Legislature the names of the agencies, departments, or programs required to submit internal control certification letters and year-end financial reports, but did not submit them by the deadline.

(4) The Department of Finance to issue, coincident with the release of the Governor's Budget, a long-range financial plan for the state.

(5) The Department of General Services and the State Chief Information Officer (CIO) to identify by February 1, 2006, all development projects seeking to enhance or expand existing financial software applications, as specified.

(6) The Department of Finance and the Controller to create overall financial management standards for state government.

(7) The Department of Motor Vehicles to develop and administer an amnesty program for persons that are subject to the vehicle license fee and complete, by July 1, 2006, a definitive inventory of state-owned vehicles to be updated annually.

(8) The Governor to report by February 1, 2006, to the Legislature on the progress of consolidating federal grant-making functions and propose a plan, by July 1, 2006, to consolidate fleet management in the Office of Fleet Administration.

(9) The Department of General Services by July 1, 2006, to submit a plan to the Legislature describing how it will ensure that the state pays the lowest airfare.

(10) All state agencies to certify prior to contracting out any state service that the service cannot be comparably performed at the same or less cost by current state employees or programs.

(11) The Governor, by July 1, 2006, to create and implement a pilot volunteer leave program for state employees.

(12) Every future state building to be built in accordance with the Leadership in Energy and Environmental Design Silver Rating standards.

(13) The state to consider whether all construction projects funded with state money should use an owner controlled insurance program to reduce costs without risking performance or completion.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 8.7 (commencing with Section 11830)
2 is added to Part 1 of Division 3 of Title 2 of the Government
3 Code, to read:

CHAPTER 8.7. ENSURING GOVERNMENT FISCAL
RESPONSIBILITY

11830. (a) All state agencies shall participate in the CAL-Card Program for purchases up to five thousand dollars (\$5,000).

(b) The Franchise Tax Board and the Department of Finance shall report, by January 1, 2008, to the Legislature on the effectiveness of “tax expenditures.”

(c) (1) The Department of Finance shall annually report to the Legislature the names of the agencies, departments, or programs required to submit internal control certification letters to the department but did not.

(2) The Controller’s office shall annually report to the Legislature the names of the agencies, departments, or programs required to submit year-end financial reports, but that did not submit them by the respective deadline.

(d) Beginning January 1, 2007, the Department of Finance shall, coincident with the release of the Governor’s Budget, issue a long-range financial plan for the state. The plan shall include, but not be limited to, revenue and expenditure projections for the next four years.

(e) The Department of General Services and the State Chief Information Officer shall, by February 1, 2006, identify all development projects seeking to enhance or expand existing financial software applications and, to the extent practicable, coordinate with the agencies or departments seeking to acquire these applications to ensure that they will permit managers and department and agency heads to integrate and routinely exchange compatible financial data with other managers and agency and department heads, and that will be generally applicable throughout the organization of state and local government.

(f) The Department of Finance and the Controller shall create overall financial management standards for state government.

11831. (a) The Department of Motor Vehicles shall develop and administer an amnesty program for persons subject to the vehicle license fees imposed pursuant to Chapter 2 (commencing with Section 10751) of Part 5 of Division 2 of the Revenue and Taxation Code for a four-month period beginning February 1, 2006, to May 31, 2006, inclusive, or during a timeframe ending

1 no later than June 30, 2006. The program shall apply to vehicle
2 license fee liabilities due and payable before January 1, 2006.

3 (b) All state agencies shall use the State Contract and
4 Procurement Registration System and the Governor shall, by
5 February 1, 2006, certify to the Legislature that all managers that
6 might use it have been notified of the legal requirement to do so.

7 (c) The Governor shall, by February 1, 2006, report to the
8 Legislature on the progress of consolidation or coordination of
9 federal grant-making functions by a memorandum of
10 understanding or other means and shall report every month until
11 the Governor certifies that no further consolidation or
12 coordination will achieve savings or improve the state's chances
13 in receiving additional federal revenue.

14 (d) All state agencies and departments shall use ~~CalATERS~~
15 *the California Automated Travel Expense Reimbursement System*
16 *(CalATERS)* by July 1, 2006, and by February 1, ~~2006~~ 2007, the
17 Department of Finance shall establish a system whereby support
18 costs incurred by CalATERS will be reimbursed based on the per
19 reimbursement use by agencies and departments.

20 (e) The Department of General Services shall, by July 1, 2006,
21 submit a plan to the Legislature describing how it will ensure that
22 it pays the lowest airfare, including, but not limited to, ensuring
23 that its fares do not exceed those available on the Internet, and
24 utilizing special plans for business travelers.

25 11832. (a) (1) The Department of General Services, in
26 consultation with all state agencies owning vehicles, shall
27 complete a definitive inventory of state-owned vehicles by July
28 1, 2006, and that inventory shall be updated annually thereafter.

29 (2) The Governor shall propose a plan to consolidate fleet
30 management in the Office of Fleet Administration (OFA) by July
31 1, 2006, and shall identify and propose sanctions for his or her
32 appointees who oversee government agencies that fail to submit
33 the required fleet reports to OFA.

34 (b) All state agencies shall certify prior to contracting out any
35 state service that the service cannot be comparably performed at
36 the same or less cost by current state employees or programs.

37 (c) The Governor's Office on Service and Volunteerism shall
38 identify all funds donated directly to the state or to any
39 state-affiliated auxiliary foundation and shall, by ____, propose

1 to the Legislature amendments to Section 11005 that would make
2 donating to the state government easier and more efficient.

3 (d) By July 1, 2006, the Governor shall create and implement
4 a pilot volunteer leave program for state employees. The
5 Governor shall designate the agencies and departments selected
6 for the pilot program. By March 1, 2008, the Governor shall
7 report to the Senate Committee on Budget and Fiscal Review and
8 the Assembly Committee on Budget whether the state enjoyed
9 any savings as a result of the pilot project, whether it should be
10 expanded, and, if so, suggested legislative amendments and
11 language for such an expansion.

12 (e) By July 1, 2006, the Department of General Services shall
13 hire a recovery firm to audit the state's telecommunications
14 contracts, permitting a contingency fee contract of no more than
15 15 percent.

16 (f) (1) The Governor shall report to the Legislature by March
17 1, 2006, on the status of compliance with Sections 15814.30 to
18 15814.35, inclusive, requiring "life-cycle" costing of state
19 construction projects.

20 (2) Every future state building shall be built in accordance
21 with the Leadership in Energy and Environmental Design Silver
22 Rating standards.

23 (g) The state shall consider whether all construction projects
24 funded with state money should use an owner controlled
25 insurance program to reduce costs without risking performance
26 or completion.